denominations from circulation, Regional Offices of RBI have opened separate counters for the exchange of notes. Regional Offices have also identified important currency chests for this purpose. After ensuring that adequate supplies are available in each of the denominations at these chests, they issued advertisements in the local newspapers and also used electronic media so that the facility was brought to the notice of the public. Some of public sector bank branches as also the Regional Offices of the RBI arranged mobile counters (vans) in City/Mandi/Market area etc. for distribution of coins in exchange of soiled notes.

(v) RBI has published in October, 1999, a booklet titled 'Your Guide to Money matters' which contains, *inter-alia,* information on facilities for exchange of soiled notes. This information is also available on RBI website; and

(vi) Banks have been advised to sort out only very good quality notes for re-issuing to the public.

Losses Accumulated by Indian Bank

155. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Indian Bank has accumulated losses exceeding Rupees two thousand crores completely wiping out the net worth despite having been given dole twice to recapitalise its balance sheet;

(b) if so, what are the details thereof;

(c) what are the reasons for the continuous losses so as to wipe out its net worth despite receiving dole twice; and

(d) the manner in which Government propose to tackle the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) An amount of Rs. 1,850 crore was provided upto the year 1998-99 to the Indian Bank by way of recapitalisation assistance. As on 31.3.99 Indian

Bank is reported to have net worth and accumulated losses as under:—

		Amount (Rs. in Crores)
1.	Capital	2503.96
2.	Reserve*	138.18
3.	Accumulated loss	3181.88
4.	Net worth (1+2-3)	-539.74

* Excluding Revaluation Reserve of Rs. 256.49 crores.

(c) and (d) Provisions for non-performing assets (NPAs), additional provisioning on account of short provisioning done by the Bank for NPAs during the previous years, provisioning for investment on account of increase in the YTM (Yield to Maturity) and payment of arrears on account of wage revision as well as meagre recovery of NPAs, high administrative and operational expenses, high cost of deposits, low productivity, large number of loss making branches and non-adoption of technological updating to the required extent were the significant reasons for the losses. Various steps such as strengthening of internal control systems, laying down of clear loan policy and recovery policy, setting up of recovery cells and monitoring of recovery at senior levels and within a time frame, establishment of Debt Recovery Tribunals, strengthening of system of banking supervision and upgradation of credit appraisal skills have been taken to improve the overall functioning of banks, which will lead to better performance. In addition, the Government/RBI are closely monitoring the performance of the Indian Bank. A working group for restructuring weak public sector banks constituted by the Reserve Bank of India under the chairmanship of Shri M.S. Verma Adviser, RBI has already submitted its report. The recommendations of this group would form a valuable input in taking measures to tackle the situation. The bank has also constituted a Management Advisory Group consisting of eminenet professionals to advise the board on various aspects of the bank's functioning.